

Department of Employment Services

FY 2002 Proposed Operating Budget: \$80,476,603
 FY 2002 Proposed Capital Budget: \$0

The Department of Employment Services serves as the primary vehicle for the District of Columbia to develop a world-class work force and work environment that supports a sound, stable economic foundation for families, individuals, and the general community.

It accomplishes this by planning, developing, and administering—in collaboration with the private sector, community-based organizations, and other government agencies—effective and efficient employment and employment-related services to all segments of the Washington metropolitan population. These services include meaningful employment and training opportunities, provision of labor market information, timely payments to eligible unemployed individuals and injured workers, counseling and supportive services, and promotion of healthy and productive work places for employees and employers.

Budget Summary

The FY 2002 proposed operating budget for the Department of Employment Services (DOES) is \$80,476,603, a decrease of \$334,957, or 0.4 percent, from the FY 2001 approved budget (table CF0-1). It supports 580 full-time equivalents (FTEs), a decrease of 70 from FY 2001 (table CF0-2). The agency receives 91 percent of its funding from non-local sources. Only 9 percent of its funding comes from local sources.

Major changes are as follows:

- \$5,045,497 increase for the Employment and Training Administration, including an increase in Other (O-type) revenue of \$2 million in the Unemployment Insurance Administrative account and \$438,000 in Reed Act funds
- \$4,365,496 decrease for the Office of Labor Standards
- \$1,457,252 decrease in Administrative Operations

Strategic Issues

In FY 2002, DOES policies and programs will cut across several citywide strategic priority areas. In particular, the department will:

- Introduce District youth, especially those not in school, to a variety of careers and real-life experiences.
- Maximize opportunities for citizens to secure gainful employment and become self-sufficient.

The FY 2002 proposed operating budget is \$80,476,603, a decrease of \$334,957, or 0.4 percent, from the FY 2001 approved budget.

Figure CF0-1

The Department of Employment Services



FY 2002 Initiatives

- Combine school-based with work-based learning experiences to introduce District youth, especially those not in school, to a variety of careers and real-life experiences.
- Implement the Virtual One-Stop and Internet-based customer management system throughout DOES's career centers (One-Stops) to maximize opportunities for citizens to secure gainful employment and become self-sufficient.
- Place more local residents in apprenticeship and pre-apprenticeship programs to prepare them for high-wage, high-demand jobs.
- Increase employment opportunities for city residents through such efforts as the First Source Employment Agreement.

Agency Background

The Department of Employment Services was established in 1976 by order of the Mayor as authorized by both local and federal statutes. The primary role of the department is to facilitate the exchange of human labor for wages, and to assure that there is a successful match between the skills needed by employers and the job skills of citizens seeking employment; to this end, it offers training and retraining opportunities. DOES also plays an extended role in the marketplace; for example, it:

- Softens the economic impact on workers during periods of unemployment.
- Administers wage standards.
- Assures that local workplaces are healthy and safe and that workers who are injured at work and their families do not suffer economic destitution.

Programs

DOES has responsibility for the following major program areas: Executive Direction, Office of the Chief Financial Officer, Office of Labor Standards, Employment and Training, Administrative Operations, and Administrative Support and Technical Assistance (figure CF0-1).

Executive Direction provides overall policy and management leadership to DOES. It monitors the quality of service delivered, determines organizational strengths and weaknesses, and provides the agency with the proper means to improve customer satisfaction. It arranges for staff counseling and for the training necessary to enhance customer services. It coordinates the administration of programs and services for youth and adults who experience multiple barriers to accessing training and employment opportunities, and provides the necessary support systems and structures for participants to successfully transition into meaningful job opportunities that can result in self-sufficiency.

Executive Direction is also responsible for (1) promulgating standards for occupational safety and health, (2) monitoring apprenticeship standards and apprentice/employer rights, (3) administering comprehensive legal services relating to all DOES programs, (4) keeping the public informed about its activities and programs, and (5) collecting, analyzing, generating, and disseminating labor market information.

Funding for this unit in FY 2002 from all sources totals \$5,604,830, an increase of \$87,478 over FY 2001. Personal services are \$5,256,530, and nonpersonal services are \$348,300. The funding supports 90 FTEs, a decrease of 1 FTE from FY 2001.

The **Office of the Chief Financial Officer** provides day-to-day management of DOES finan-

Table CF0-1

FY 2002 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Department of Employment Services

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Regular Pay - Cont. Full Time	22,270	25,342	23,361	-1,982
Regular Pay - Other	228	1,735	1,684	-51
Additional Gross Pay	2,201	158	244	86
Fringe Benefits	3,822	4,513	4,073	-439
<i>Subtotal Personal Services (PS)</i>	<i>28,521</i>	<i>31,748</i>	<i>29,362</i>	<i>(2,386)</i>
Supplies and Materials	484	359	653	294
Utilities	635	819	883	64
Communications	846	1,181	1,077	-104
Rentals - Land and Structures	1,222	2,989	2,490	-499
Security Services	0	0	641	641
Other Services and Charges	5,806	4,505	7,126	2,621
Contractual services, other	6,175	7,633	4,012	-3,621
Subsidies and Transfers	23,075	29,262	32,337	3,075
Equipment and Equipment Rental	1,326	2,315	1,895	-420
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>39,569</i>	<i>49,063</i>	<i>51,115</i>	<i>2,051</i>
Total Proposed Operating Budget	68,090	80,812	80,477	(335)

Table CF0-2

FY 2002 Full-Time Equivalent Employment LevelsDepartment of Employment Services

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Continuing full time	442.50	596.00	528.50	-67.50
Term full time	57.25	53.95	51.50	-2.45
Total FTEs	499.75	649.95	580.00	(69.95)

cial functions, including budgeting and payroll.

Funding in FY 2002 from all sources totals \$2,422,242, a decrease of \$83,184 from FY 2001. Personal services is \$1,887,842, and nonpersonal services is \$534,400. The budget supports 33 FTEs, a decrease of 4 FTEs from FY 2001.

The **Office of Labor Standards** administers comprehensive programs that protect and serve workers on their job sites. The office:

- Establishes regulations for minimum wage and

overtime payment.

- Maintains a comprehensive safety and health program that ensures a safe and healthful work environment for employees and general users of District government facilities.
- Enforces laws that provide income replacement and medical service benefits to city residents who sustain work-related injuries or illnesses.
- Issues decisions on entitlements to benefits

under DOES compensation programs that govern the private sector as well as District government employees.

- Ensures the award of compensation benefits to city employees who sustain job-related injuries or illnesses and to eligible survivors of employees whose cause of death is directly related to a work injury or illness.

Proposed funding for this unit for FY 2002 from all sources totals \$15,532,139, a decrease of \$4,365,496 from FY 2001. Personal services is \$6,991,387 and nonpersonal services is \$8,540,752. This budget supports 139 FTEs, a decrease of 12 FTEs from FY 2001.

In FY 2002 the D.C. Office of Personnel (DCOP) will administer the Disability Compensation Fund rather than DOES. A total of \$4,113,930 in local funds and 5 FTEs will be transferred from DOES to DCOP.

The Employment and Training

Administration's mission is to plan, administer, develop policy, and coordinate more than a dozen employment and training-related program areas in four major operational areas: Unemployment Compensation, One-Stop Operations, Workforce Development, and Youth Programs. Services are delivered through:

- Youth Employment Act programs, such as the Summer Youth Program, federal Workforce Investment Act programs for youth, the disadvantaged, and dislocated workers
- The Unemployment Insurance program
- The District's apprenticeship program
- The Senior Community Service Employment project
- All Job Service programs mandated under the Wagner-Peyser law that form the underpinning of the State Employment Service, Alien Labor Certification, the Disabled Veterans Outreach Program and the Local Veterans Employment Representatives, as well as a series of other local initiatives.

The proposed FY 2002 budget provides funding for the following:

- Several Youth Opportunity Centers linked to the DOES Web site, the Virtual One-Stop system, through a five-year, \$32 million Youth Opportunities Grant (YOG)
- Implementation of the virtual One-Stop

career centers to provide many services, such as Internet access, online job listings, career counseling and planning, resume assistance, direct job placement in the private sector, classroom training, and on-the-job training. These include:

- Apprenticeship programs for residents, such as in construction for the new D.C. Convention Center and with the Metropolitan Washington Airport Authority and CVS/Pharmacy (for a pharmacy technician program)
- Efforts to increase employment opportunities for city residents, including:
 - The "First Source Employment Agreement," which guarantees 51 percent of all new hires during the construction phase of the Convention Center are city residents
 - Helping local technology firms identify e-commerce and telecommunications labor force needs
 - Job training programs (including MetroTech) tailored to employer needs
 - Placing residents in technology occupations
 - Regional Jobs Access/Reverse Commute Program for job placements in the suburbs
 - Customized training arrangements with businesses in targeted industries.

Funding in FY 2002 for Employment and Training from all sources totals \$51,703,125, an increase of \$5,045,497, over FY 2001. Personal services is \$14,282,231, and nonpersonal services is \$37,420,894. The budget supports 296 FTEs, a decrease of 13 FTEs from FY 2001. The most significant change was in Other funds, which increased by \$2,603,000. Federal funds increased by \$1,647,700 and local funds by \$794,797.

For the **Administrative Operations** division, a service unit that supports other divisions, funding in FY 2002 from all sources totals \$3,950,867, a decrease of \$1,457,252 from FY 2001. Of this, personal services is \$943,885, and nonpersonal services is \$3,006,982. The division's budget supports 22 FTEs, a decrease of 40 FTEs from FY 2001 budget.

Expenses for the **Administrative Support and Technical Assistance Program (AS&TA)** are for

nonpersonal services associated with allocable cost among different funding sources for supplies, materials, equipment, and machinery.

Funding for AS&TA's overhead in FY 2002 from all sources totals \$1,263,400, an increase of \$438,000 over FY 2001. The entire budget consists of nonpersonal services; it supports no FTEs.

Funding Summary

Local

The proposed local budget is \$7,308,603, a decrease of \$4,662,957 from the FY 2001 approved budget. This budget supports 44 FTEs, a decrease of 27 FTEs from FY 2001. Refer to the FY 2002 Operating Appendices (bound separately) for details. Local funds are decreased by:

- \$328,636 due to data center consolidation, which will transfer 34 positions and funds to the Office of the Chief Technology Officer
- \$4,113,930, and 5 FTEs, from the transfer of the Disability Compensation Fund administration to the Office of Personnel.
- Seven unfunded FTEs
- \$663,511 for management reform savings
- \$306,880 for other adjustments.

Local funds are increased by:

- \$250,000 to create a Youth Advisory Council composed of 32 District-wide youth that will provide the voice of the District's youth in advising key leadership in the city about policies, programs, and actions that affect them
- \$500,000 for transportation subsidies for welfare recipients.

Federal

The proposed federal budget is \$53,624,000, an increase of \$1,837,000 over the FY 2001 approved budget. Approximately 68 percent of the budget is derived from Workforce Investment Act, 17 percent from Unemployment Insurance, 8 percent from Employment Services, 5 percent from Miscellaneous (including Welfare-to-Work), and 2 percent from Labor Market Information. This budget supports 378 FTEs, a decrease of 29 FTEs from 2001.

Private

The proposed private revenue budget is \$109,000, unchanged from the FY 2001 approved budget. This budget supports no FTEs, unchanged from FY 2001.

Other

The proposed Other revenue budget is \$19,435,000, an increase of \$2,491,000 over the FY 2001 approved budget. The Other funds budget includes the Workers' Compensation Special Fund, workers' compensation payments from private sector employers, interest and penalties (from employers delinquent in paying employer taxes), Reed Act funds, and the unemployment insurance surcharge account (collected from employers). The budget supports 158 FTEs, a decrease of 14 FTEs from FY 2001.

Included in FY 2002 Other funds is \$2,000,000 of \$7,800,000 collected in excess revenue between 1992 and 1993 from the one-time Unemployment Insurance tax surcharge. This surcharge was originally intended to pay interest on loans to the Unemployment Insurance Trust Fund, but collections exceeded interest payments by \$5.5 million. The funds will be used to improve administration of the unemployment insurance program by the Employment and Training Administration.

Trend Data

Table CF0-3 and figure CF0-2 show expenditure and employment histories for FY 1998 through proposed FY 2002.

Agency Goals and Performance Measures

Goal 1. Provide a wide range of employment and training activities to support the District's youth in their transition from school to careers.

Citywide Strategic Priority Area: Strengthening children, youth, families and individuals

Manager: Kenneth Osborne, Acting Associate

Director Office of Youth Programs

Supervisor: Keith Cross, Deputy Director
Operations

Performance Measure 1.1: Number of youth placed in summer jobs

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	6,500	10,000	5,000	5,000	5,000
Actual	10,223	7,704	-	-	-

Table CF0-3

FY 2002 CF0 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

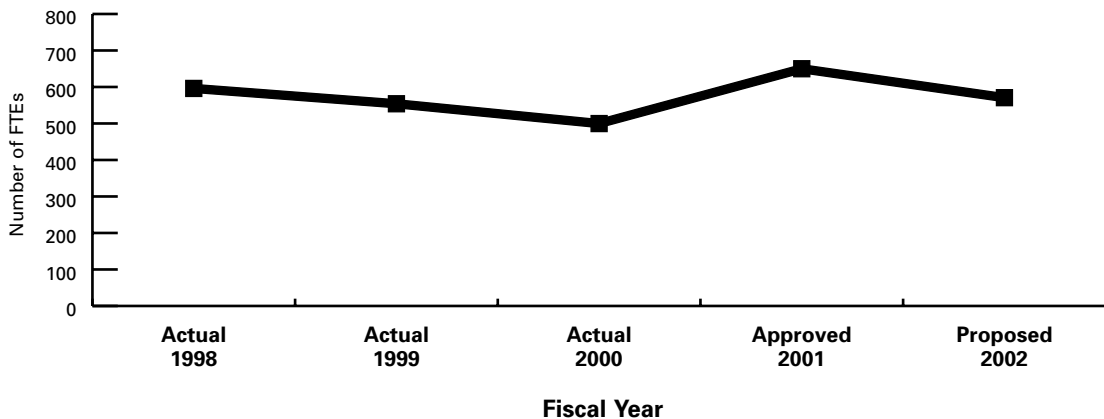
Department of Employment Services

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	7,543	7,923	11,253	11,972	7,309
Federal	32,379	33,762	41,371	51,787	53,624
Private	380	10,991	88	109	109
Other	12,188	0	12,536	16,944	19,435
Intra-District	1,480	764	2,842	0	0
Gross Funds	53,970	53,440	68,090	80,812	80,477

Figure CF0-2

DOES Employment Levels, FY 1998 – Proposed FY 2002

(gross FTEs)

**Performance Measure 1.2: Number of youth placed in year-round internships and work experiences**

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	650	1,000	1,000	1,000
Actual	N/A	695	-	-	-

Note: Actual figures for FY 2001 will be available at the conclusion of the programs.

Goal 2. Provide employment and training services to District residents, including Temporary Assistance to Needy Families to support their transition to employment.*Citywide Strategic Priority Areas:* Strengthening children, youth, families and individuals;

Building and sustaining healthy neighborhoods

Manager: Charles Jones, Acting Chief Welfare to Work Division*Supervisor:* Keith Cross, Deputy Director Operations**Performance Measure 2.1: Number of TANF/Welfare to Work recipients placed in unsubsidized employment**

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	1,000	1,000	1,000
Actual	N/A	N/A	-	-	-

Performance Measure 2.2: Number of TANF/Welfare to Work participants placed in subsidized or transitional employment

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	N/A	330	500	500	500
Actual	N/A	445	-	-	-

Goal 3. Provide a wide range of employment and training activities to support adults seeking to enter the workforce.

Citywide Strategic Priority Areas: Strengthening children, youth, families and individuals; Building and sustaining healthy neighborhoods
Manager: Lewis Brown, Associate Director Office of Apprenticeship; Samuel Love, Associate Director One Stop Center Operations
Supervisor: Keith Cross, Deputy Director, Operations

Performance Measure 3.1: Number of residents placed in pre-apprenticeship and step-up programs

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	45	70	105	115	120
Actual	68	101	-	-	-

Performance Measure 3.2: Percentage of DOES registered customers placed in jobs

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	17	17	20	20	21
Actual	16	17	-	-	-

Performance Measure 3.3: Number of customers accessing services through the agency's one-stop career center system (thousands)

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	N/A	N/A	45.0	50.0	50.0
Actual	N/A	N/A	-	-	-

Goal 4. Ensure compliance with minimum wage and overtime laws, and health and safety regulations.

Citywide Strategic Priority Area: Making government work

Manager: Reginald Berry, Assistant Director Labor Standards

Supervisor: Gregory Irish, Director

Performance Measure 4.1: Amount of back wages collected from employers (thousands of dollars)

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	500	525	550	575	600
Actual	645	709	-	-	-

Performance Measure 4.2: Percent of compensation orders issued within 30 days

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	N/A	N/A	70	75	75
Actual	N/A	N/A	-	-	-

Goal 5. Ensure that the Department's employment and training policy supports the city's economic development goals.

Citywide Strategic Priority Area: Promoting economic development

Manager: Keith Cross, Deputy Director Operations

Supervisor: Gregory Irish, Director

Performance Measure 5.1: Number of job placements in e-commerce, telecommunications and technology occupations

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	N/A	N/A	200	300	400
Actual	N/A	N/A	-	-	-

Performance Measure 5.2: Number of residents placed in jobs located in suburban Washington, DC

	1999	Fiscal Year			2003
		2000	2001	2002	
Target	N/A	N/A	500	500	500
Actual	N/A	N/A	-	-	-

Performance Measure 5.3: Number of residents placed as a result of First Source Agreements

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	1,900	2,000	2,100	2,200
Actual	N/A	1,940	-	-	-

Goal 6. Ensure that the Department's programs maintain consistent improvements in service delivery.

Citywide Strategic Priority Area: Making government work

Manager: Roberta Bauer, Associate Director
Compliance and Independent Monitoring;
Diana Johnson, Associate Director, Public
Affairs/Staff Development

Supervisor: Gregory Irish, Director

Performance Measure 6.1: Number of major programs for which compliance reviews are conducted

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	N/A	5	5	5
Actual	N/A	N/A	-	-	-

Performance Measure 6.2: Total number of hours of staff training/ development

		Fiscal Year			
	1999	2000	2001	2002	2003
Target	N/A	1,000	1,700	1,700	1,700
Actual	N/A	1,700	-	-	-